



SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270-265, OMB Control No. 3235-0273]

Submission for OMB Review; Comment Request; Extension: Rule 17Ad-10

Upon Written Request, Copies Available From:
Securities and Exchange Commission
Office of FOIA Services
100 F Street, NE
Washington, DC 20549-2736

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (“PRA”) (44 U.S.C. 3501 et seq.), the Securities and Exchange Commission (“Commission”) has submitted to the Office of Management and Budget (“OMB”) a request for approval of extension of the previously approved collection of information provided for in Rule 17Ad-10 (17 CFR 240.17Ad-10), under the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.).

Rule 17Ad-10 generally requires registered transfer agents to: (1) create and maintain current and accurate securityholder records; (2) promptly and accurately record all transfers, purchases, redemptions, and issuances, and notify their appropriate regulatory agency if they are unable to do so; (3) exercise diligent and continuous attention in resolving record inaccuracies; (4) disclose to the issuers for whom they perform transfer agent functions and to their appropriate regulatory agency information regarding record inaccuracies; (5) buy-in certain record inaccuracies that result in a physical over issuance of securities; and (6) communicate with other transfer agents related to the same issuer. These requirements assist in the creation and maintenance of accurate securityholder records, enhance the ability to research errors, and ensure the transfer agent is aware of the number of securities that are properly authorized by the issuer, thereby avoiding over issuance.

The rule also has specific recordkeeping requirements. It requires registered transfer agents to retain certificate detail that has been deleted for six years and keep current an accurate record of the number of shares or principal dollar amount of debt securities that the issuer has authorized to be outstanding. These mandatory requirements ensure accurate securityholder

records and assist the Commission and other regulatory agencies with monitoring transfer agents and ensuring compliance with the rule. This rule does not involve the collection of confidential information.

There are approximately 401 registered transfer agents. We estimate that the average number of hours necessary for each transfer agent to comply with Rule 17Ad-10 is approximately 80 hours per year, which generates an industry-wide annual burden of approximately 32,080 hours (401 times 80 hours). This burden is primarily of a recordkeeping nature but also includes a small amount of third party disclosure. At an average staff cost of \$50 per hour, the industry-wide internal labor cost of compliance (a monetization of the burden hours) is approximately \$1,604,000 per year (32,080 x \$50).

In addition, we estimate that each transfer agent will incur an annual external cost burden of approximately \$18,000 resulting from the collection of information. Therefore, the total annual external cost on the entire transfer agent industry is approximately \$7,218,000 (\$18,000 times 401). This cost primarily reflects ongoing computer operations and maintenance associated with generating, maintaining, and disclosing or providing certain information required by the rule.

The amount of time any particular transfer agent will devote to Rule 17Ad-10 compliance will vary according to the size and scope of the transfer agent's business activity. We note, however, that at least some of the records, processes, and communications required by Rule 17Ad-10 would likely be maintained, generated, and used for transfer agent business purposes even without the rule.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information under the PRA unless it displays a currently valid OMB control number.

The public may view background documentation for this information collection at the following website: www.reginfo.gov. Find this particular information collection by selecting

"Currently under 30-day Review - Open for Public Comments" or by using the search function. Written comments and recommendations for the proposed information collection should be sent by **[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION OF THIS NOTICE IN THE *FEDERAL REGISTER*]** to (i) www.reginfo.gov/public/do/PRAMain and (ii) David Bottom, Director/Chief Information Officer, Securities and Exchange Commission, c/o John Pezzullo, 100 F Street, NE, Washington, DC 20549, or by sending an e-mail to: PRA_Mailbox@sec.gov.

Dated: November 16, 2022.

Sherry R. Haywood,
Assistant Secretary.

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